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FM AMEMBASSY PORT AU PRINCE

TO RUEHC/SECSTATE WASHDC PRIORITY 5051

INFO RUEHZH/HAITI COLLECTIVE PRIORITY

RUEHBJ/AMEMBASSY BEIJING PRIORITY 0145

RUEHBR/AMEMBASSY BRASILIA PRIORITY 1372

RUEHSA/AMEMBASSY PRETORIA PRIORITY 1201

RUEHQU/AMCONSUL QUEBEC PRIORITY 0683

RUEHIN/AIT TAIPEI PRIORITY 0075

RUMIAAA/HQ USSOUTHCOM J2 MIAMI FL PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 PORT AU PRINCE 000052

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E.O. 12958: DECL: 01/12/2017

TAGS: PREL UNSC KPKO HA CH

SUBJECT: PREVAL-TAIWAN RELATIONSHIP: THE LOVE CONNECTION

REF: A. PORT AU PRINCE 37

1B. 06 PORT AU PRINCE 2247

1C. 06 PORT AU PRINCE 2459

1D. 06 PORT AU PRINCE 2472

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Classified By: Ambassador Janet A. Sanderson for reasons 1.4 (b) and (d).).

11. (C) Summary: The personal relationship between Preval and the Taiwanese started during Preval's first presidency from 1996-2001, with agricultural projects in Marmalade, Preval's hometown. The foreign ministry's director of political affairs Weiner Jean Baptiste told Poloff January 11 that the GoH is counting on further increases in Taiwan's assistance this year, given the close relationship between Preval and Taiwan. Since 1956 when Haiti and Taiwan established diplomatic ties, Taiwan has been one of Haiti's most engaged and consistent partners, according to Jean Baptiste. More than sheer numbers (estimated by President Preval's economic assistant Gabriel Verret to be USD 10 to 20 million per year), Taiwan is known for giving the Haitian government "a blank check." In the late 1980's when the Chinese (PRC) opened a commercial office in Haiti, the Chinese offered to accept status quo of Haiti's relationship with Taiwan; however, Verret explained that over the past year there have been several diplomatic incidents prompting the Chinese to take a more aggressive stance. Verret and Jean Baptiste both seemed concerned that the President was not taking China seriously enough, and in the end, they advised, Preval will have to concede to China's request. End summary.

Preval's Personal Relationship with Taiwan

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12. (C) During his first administration from 1996 to 2001, Preval galvanized Taiwan's support for the agricultural industry, spending more Taiwanese money on producing coffee, rice and bamboo trees. Verret told Poloff that after Aristide's re-election in 2001, when he and Preval "were having problems," Aristide tried to cut off the Taiwanese funding to Marmalade. The Taiwanese refused, and gave the money directly to Preval, who had retired to Marmalade,

instead of to the government. Taiwan continues its work in Preval's hometown today, and has many of Preval's family members and friends on the payroll. Last year Taiwan financed a road between Gonava and St. Marc. (Note: Gonava is the capital of the Artibonite department and the hometown of Preval's mother. End note.) Preval admitted to Polcouns that Taiwan funded his campaign for presidency in 2006. Verret said that the Taiwanese have given Preval full support for two of his pet-projects: road-building and agricultural production. Also, the Taiwanese have proposed assisting with the re-construction of the Port-au-Prince international airport, among other infrastructure projects in Haiti.

#### History of Haiti-Taiwanese Relationship

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13. (U) The Haitian-Taiwanese relationship dates back to the Cold War, when Jean Claude Duvalier's pro-U.S. stance created a tight relationship between the GoH and the Taiwanese. (Note: The relationship was so close by 1971 that the Taiwanese sold their embassy and main residence in Washington to Haiti in 1971 for "one yuan." According to Verret, since this time, the Taiwanese have consistently reinforced the relationship by being a source of ready cash for the Haitian government. End note.)

14. (U) Reportedly, one of Taiwan's first Ambassadors to Haiti, Lee Nan Sing, adored Haiti. He remained ambassador for 18 years, hardly ever left the country for vacation, and died here. Jean Baptiste (who wrote his dissertation on the Chinese/Taiwanese relationship) said Sing was involved in projects all over the country and gave considerable assistance to Duvalier's government. After the Duvalier regime ended in 1986, Taiwan continued to support the current government, whether military, interim, or democratic. Taiwan

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also assisted to rice growers in the Artibonite valley. (Note: Marmalade, Preval's hometown, is also located in the Artibonite department. End note.) Taiwan provided technical expertise as well as tractors and water buffalo that are still there today.

15. (C) Much of the money Taiwan gave to Haiti during former President Aristide's tenures went straight to Aristide's private foundation and has never been accounted for, according to Verret. Although some thought Aristide would break the relationship with Taiwan after he was elected, the Taiwanese ambassador gave him at least USD 12 million in the first days of his presidency. Among other projects, the Taiwanese built a road from Cayes, on the southwest arm of Haiti, to Port Salut, Aristide's hometown. Aristide's former finance minister Marie Michele Rey said that Taiwan fully funded Haiti's remaining arrears in 1994, allowing the country to continue eligibility for IMF and World Bank programs.

#### Haiti Violates China's Idea of Status Quo

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16. (C) Verret explained that since he started working with the GoH in 2004, the Chinese have told both the interim government and Preval that China will accept its relationship with Taiwan, and may even develop a foreign assistance program. What China will not accept is "status quo plus," which the Haitians have attempted, at least from China's viewpoint, over the last couple of years. Jean Baptiste and Verret both outlined the near diplomatic disaster that occurred when interim President Alexandre Boniface attempted to travel to Taiwan. Preval's team faced the same problems when the current president considered traveling to Taiwan in 2006. He also said that Preval considered sponsoring Taiwan's 2006 UN bid in September, which prompted Chinese outrage. Jean Baptiste said that following Preval's inauguration, where the Taiwanese flag was prominently

displayed instead of the Chinese flag, an association of students who received Chinese scholarships (and who are supported by the Chinese commercial office in Port-au-Prince) sent a very "un-diplomatic" letter to the GoH.

¶7. (C) Comment: Both Verret and Jean Baptiste indicated that they thought Preval was "playing with fire." Verret said that he and the president's advisor, Bob Manual, likened Preval's relationship with China to that of a schoolboy and a class bully. Verret said that as long as the school boy's "big brother" comes to the rescue, the boy will continue to taunt the bully. Former finance minister Rey explained that Preval is an extremely loyal man with a long history with the Taiwanese, and that a country like Haiti cannot afford to turn its back on its long-lasting friendships.

SANDERSON